A8050-1

August 20, 1984

FOR RELEASE A.M. MONDAY, August 27, 1984

press release

McLean, VA, August 27, 1984 -- Net new orders for American machine tools rose 63% in July to a level of $313,400,000 principally as the result of an unusual surge in orders for metal-forming machines. Orders for metal-cutting machines rose only slightly, according to data released today by the National Machine Tool Builders' Association. During the month, metal-forming orders, which normally equal about 20% of the total, actually exceeded orders for cutting-type machine tools.

Contact:
Charles Pollock

According to James A. Gray, Association president, "This anomaly in orders emphasizes the plight in which the U.S. machine tool industry finds itself. Even though the economy has been in a booming recovery for some time, the metal-cutting segment of our industry has not been fully participating in the recovery. And the metal-forming order increase is more related to a few isolated projects rather than to strength across the board."

national machine tool builders association

-over-

For the month of July, orders for metal-cutting machine tools increased only 4% to a level of $135,850,000. This level is some $50 million below April-May order rates, and July's domestic orders were virtually unchanged from a year ago.

"Metal-cutting machinery builders have been disadvantaged by the well-documented unfair trade practices of many foreign machine tool builders and the 25-35% negative price impact of current exchange rates. Even with the best machine tool technology in the world, these handicaps have exacerbated the problems of U.S. builders." Gray said.

"Metal-forming machine manufacturers, who are less affected by imports, saw orders plummet earlier in the recession and began their recovery sooner." Gray added. "This month's abnormal surge caused metal-forming orders to exceed those for metal-cutting type machines for the first time since 1970."

Metal forming orders were up by 192% in July to a level of $177,550,000.

"This reversal of roles" according to Gray, "spotlights the weakness of America's machine tool industry. If President Reagan does not act -- and act quickly -- on our 17-month old petition for a short, temporary reduction in the level of imports, our defense-essential industry will be permanently disabled." Gray concluded.

During July, machine tool shipments declined by 5% from their June rate to a total of $193,750,000. Shipments of metal-cutting machines were down 11% at $133,250,000; while metal-forming shipments, which totaled $60,500,000, were up 14%.

The industry's order backlog also rose in July to a total of $1.507 billion.

# # # #

COMPARISON CHART

NET NEW ORDERS -- MACHINE TOOLS
(Thousands of Dollars)

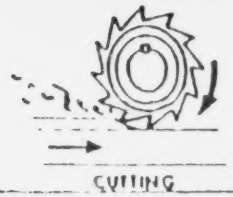
	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
July 1984	126,050	9,800	135,850	173,550	4,000	177,550	299,600	13,800	313,400
June 1984	107,550	23,400	130,950	53,600	7,200	60,800	161,150	30,600	191,750
% Change									
July 1984:June 1984	+17.2	-58.1	+3.7	+223.8	-44.4	+192.0	+85.9	-54.9	+63.4
July 1983	124,650	4,100	128,750	42,000	4,350	46,350	166,650	8,450	175,100
% Change									
July 1984:July 1983	+1.1	+139.0	+5.5	+313.2	-8.0	+283.1	+79.8	+63.3	+79.0
Year To Date 1984	912,900	134,900	1,047,800	593,250	37,200	630,450	1,506,150	172,100	1,678,250
Year To Date 1983	580,800	41,350	622,150	238,100	28,800	266,900	818,900	70,150	889,050
% Change									
1984 : 1983	+57.2	+226.2	+68.4	+149.2	+29.2	+136.2	+83.9	+145.3	+88.8

SHIPMENTS -- MACHINE TOOLS
(Thousands of Dollars)

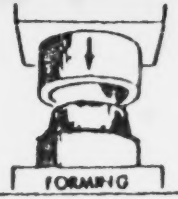
	METAL CUTTING			METAL FORMING			TOTAL Cutting and Forming		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
July 1984	127,500	5,750	133,250	54,500	6,000	60,500	182,000	11,750	193,750
June 1984	138,750	11,550	150,300	43,450	9,750	53,200	182,200	21,300	203,500
% Change									
July 1984:June 1984	-8.1	-50.2	-11.3	+25.4	-38.5	+13.7	-0.1	-44.8	-4.8
July 1983	61,900	13,500	75,400	31,950	5,000	36,950	93,850	18,500	112,350
% Change									
July 1984:July 1983	+106.0	-57.4	+76.7	+70.6	+20.0	+63.7	+93.9	-36.5	+72.5
Year To Date 1984	774,050	59,100	833,150	338,500	43,900	382,400	1,112,550	103,000	1,215,550
Year To Date 1983	699,900	103,600	803,500	236,100	29,850	265,950	936,000	133,450	1,069,450
% Change									
1984 : 1983	+10.6	-43.0	+3.7	+43.4	+47.1	+43.8	+18.9	-22.8	+13.7

Source: National Machine Tool Builders' Association

Form No. PRCC-2



TOTAL INDUSTRY ESTIMATE
MACHINE TOOLS - CUTTING AND FORMING
New Orders, Cancellations, Shipments and Backlog



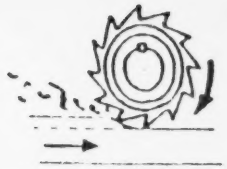
DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog (In Mil. $)	SHIPMENTS Domestic	Foreign	Total
1984							
Jan.	$ 175,550,000	$ 13,550,000	$ 189,100,000	1,120.85	$ 100,900,000	$ 12,050,000	$ 112,950,000
Feb.	$ 187,700,000	$ 15,200,000	$ 202,900,000	1,176.45	$ 135,700,000	$ 11,600,000	$ 147,300,000
Mar.	$ 188,650,000	$ 19,800,000	$ 208,450,000	1,195.65	$ 172,350,000	$ 16,900,000	$ 189,250,000
Apr.	$ 201,600,000	$ 51,500,000	$ 253,100,000	1,290.00	$ 145,000,000	$ 13,750,000	$ 158,750,000
May	$ 291,900,000	$ 27,650,000	$ 319,550,000	1,399.50	$ 194,400,000	$ 15,650,000	$ 210,050,000
June	$ 161,150,000	$ 30,600,000	$ 191,750,000	1,387.75	$ 182,200,000	$ 21,300,000	$ 203,500,000
July (p)	$ 299,600,000	$ 13,800,000	$ 313,400,000	1,507.40	$ 182,000,000	$ 11,750,000	$ 193,750,000
7 Mos.	$1,506,150,000	$ 172,100,000	$1,678,250,000		$1,112,550,000	$ 103,000,000	$1,215,550,000

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1984						
Jan.	$ 183,900,000	$ 14,300,000	$ 198,200,000	$ 8,350,000	$ 750,000	$ 9,100,000
Feb.	$ 197,050,000	$ 16,900,000	$ 213,950,000	$ 9,350,000	$ 1,700,000	$ 11,050,000
Mar.	$ 196,700,000	$ 21,200,000	$ 217,900,000	$ 8,050,000	$ 1,400,000	$ 9,450,000
Apr.	$ 209,800,000	$ 52,050,000	$ 261,850,000	$ 8,200,000	$ 550,000	$ 8,750,000
May	$ 303,700,000	$ 27,850,000	$ 331,550,000	$ 11,800,000	$ 200,000	$ 12,000,000
June	$ 178,200,000	$ 32,450,000	$ 210,650,000	$ 17,050,000	$ 1,850,000	$ 18,900,000
July (p)	$ 301,800,000	$ 14,200,000	$ 316,000,000	$ 2,200,000	$ 400,000	$ 2,600,000
7 Mos.	$1,571,150,000	$ 178,950,000	$1,750,100,000	$ 65,000,000	$ 6,850,000	$ 71,850,000

P - Preliminary

N.M.T.B.A. F - 1c

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.



INDUSTRY ESTIMATE
METAL CUTTING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog

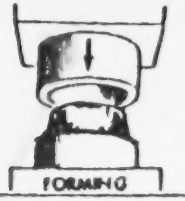
DATE	NET NEW ORDERS Domestic	Foreign	Total	Order Backlog (In Mil. $)	SHIPMENTS Domestic	Foreign	Total
1984							
Jan.	$ 122,500,000	$ 10,700,000	$ 133,200,000	883.80	$ 65,350,000	$ 7,200,000	$ 72,550,000
Feb.	$ 121,700,000	$ 11,350,000	$ 133,050,000	913.80	$ 95,300,000	$ 7,750,000	$ 103,050,000
Mar.	$ 131,900,000	$ 14,600,000	$ 146,500,000	937.80	$ 112,350,000	$ 10,150,000	$ 122,500,000
Apr.	$ 135,700,000	$ 44,100,000	$ 179,800,000	1,016.10	$ 92,700,000	$ 8,800,000	$ 101,500,000
May	$ 167,500,000	$ 20,950,000	$ 188,450,000	1,054.55	$ 142,100,000	$ 7,900,000	$ 150,000,000
June	$ 107,550,000	$ 23,400,000	$ 130,950,000	1,035.20	$ 138,750,000	$ 11,550,000	$ 150,300,000
July (p)	$ 126,050,000	$ 9,800,000	$ 135,850,000	1,037.80	$ 127,500,000	$ 5,750,000	$ 133,250,000
7 Mos.	$ 912,900,000	$ 134,900,000	$1,047,800,000		$ 774,050,000	$ 59,100,000	$ 833,150,000

DATE	GROSS NEW ORDERS Domestic	Foreign	Total	CANCELLATIONS Domestic	Foreign	Total
1984						
Jan.	$ 127,550,000	$ 10,750,000	$ 138,300,000	$ 5,050,000	$ 50,000	$ 5,100,000
Feb.	$ 130,600,000	$ 12,400,000	$ 143,000,000	$ 8,900,000	$ 1,050,000	$ 9,950,000
Mar.	$ 137,150,000	$ 15,950,000	$ 153,100,000	$ 5,250,000	$ 1,350,000	$ 6,600,000
Apr.	$ 141,800,000	$ 44,200,000	$ 186,000,000	$ 6,100,000	$ 100,000	$ 6,200,000
May	$ 171,250,000	$ 21,100,000	$ 192,350,000	$ 3,750,000	$ 150,000	$ 3,900,000
June	$ 123,050,000	$ 25,200,000	$ 148,250,000	$ 15,500,000	$ 1,800,000	$ 17,300,000
July (p)	$ 127,350,000	$ 10,000,000	$ 137,350,000	$ 1,300,000	$ 200,000	$ 1,500,000
7 Mos.	$ 958,750,000	$ 139,600,000	$1,098,350,000	$ 45,850,000	$ 4,700,000	$ 50,550,000

P - Preliminary

N.M.T.B.A. F - 1c

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.



INDUSTRY ESTIMATE
METAL FORMING TYPE MACHINE TOOLS
New Orders, Cancellations, Shipments and Backlog

DATE	NET NEW ORDERS Domestic	NET NEW ORDERS Foreign	NET NEW ORDERS Total	Order Backlog (In Mil. $)	SHIPMENTS Domestic	SHIPMENTS Foreign	SHIPMENTS Total
1984							
Jan.	$ 53,050,000	$ 2,850,000	$ 55,900,000	237.05	$ 35,550,000	$ 4,850,000	$ 40,400,000
Feb.	$ 66,000,000	$ 3,850,000	$ 69,850,000	262.65	$ 40,400,000	$ 3,850,000	$ 44,250,000
Mar.	$ 56,750,000	$ 5,200,000	$ 61,950,000	257.85	$ 60,000,000	$ 6,750,000	$ 66,750,000
Apr.	$ 65,900,000	$ 7,400,000	$ 73,300,000	273.90	$ 52,300,000	$ 4,950,000	$ 57,250,000
May	$ 124,400,000	$ 6,700,000	$ 131,100,000	344.95	$ 52,300,000	$ 7,750,000	$ 60,050,000
June	$ 53,600,000	$ 7,200,000	$ 60,800,000	352.55	$ 43,450,000	$ 9,750,000	$ 53,200,000
July (p)	$ 173,550,000	$ 4,000,000	$ 177,550,000	469.60	$ 54,500,000	$ 6,000,000	$ 60,500,000
7 Mos.	$ 593,250,000	$ 37,200,000	$ 630,450,000		$ 338,500,000	$ 43,900,000	$ 382,400,000

DATE	GROSS NEW ORDERS Domestic	GROSS NEW ORDERS Foreign	GROSS NEW ORDERS Total	CANCELLATIONS Domestic	CANCELLATIONS Foreign	CANCELLATIONS Total
1984						
Jan.	$ 56,350,000	$ 3,550,000	$ 59,900,000	$ 3,300,000	$ 700,000	$ 4,000,000
Feb.	$ 66,450,000	$ 4,500,000	$ 70,950,000	$ 450,000	$ 650,000	$ 1,100,000
Mar.	$ 59,550,000	$ 5,250,000	$ 64,800,000	$ 2,800,000	$ 50,000	$ 2,850,000
Apr.	$ 68,000,000	$ 7,850,000	$ 75,850,000	$ 2,100,000	$ 450,000	$ 2,550,000
May	$ 132,450,000	$ 6,750,000	$ 139,200,000	$ 8,050,000	$ 50,000	$ 8,100,000
June	$ 55,150,000	$ 7,250,000	$ 62,400,000	$ 1,550,000	$ 50,000	$ 1,600,000
July (p)	$ 174,450,000	$ 4,200,000	$ 178,650,000	$ 900,000	$ 200,000	$ 1,100,000
7 Mos.	$ 612,400,000	$ 39,350,000	$ 651,750,000	$ 19,150,000	$ 2,150,000	$ 21,300,000

P - Preliminary

N.M.T.B.A. F - 1d

NOTE: This table includes industry estimate figures based on reports submitted to the National Machine Tool Builders' Association. These industry estimates have not been adjusted for change in the value of the dollar.